PRESS RELEASE

DEUTZ starts 2025 with a robust first quarter

- New orders climb by 30.3% year on year thanks to successful portfolio restructuring; revenue rises by 7.5%
- Encouraging adjusted EBIT achieved; efficiency program is on track

Cologne, April 30, 2025 – Although market conditions remain challenging, DEUTZ can look back on a comfortably profitable first quarter of 2025 and a significant rise in orders that was primarily attributable to the successful portfolio changes. This can be seen from the quarterly results published today. The Company increased its revenue by 7.5% compared with the first quarter of 2024 to €489.0 million and posted earnings of €21.0 million that, considering the still lackluster market environment, can be viewed as healthy. The adjusted EBIT margin therefore stood at 4.3%. This encouraging earnings performance was the result of forging ahead with the established Dual+ strategy and included enhanced positive effects from the Future Fit program, which was launched at the end of 2024 and is aimed at reducing costs and raising efficiency. The consistently strong service business and the successful restructuring of the portfolio had a favorable impact too. Thanks to this transformation, new orders reached €546.1 million, an increase of 30.3% on the figure for the first three months of 2024.

“Our strategy of putting DEUTZ on a progressively broader and more resilient footing is bearing ever greater fruit. The wider economic conditions continue to present us with challenges, but we remain comfortably profitable even in these times,” explains DEUTZ CEO Dr. Sebastian C. Schulte. “The acquisition of selected Daimler Truck engines and the entry into the genset business are just two examples of how we are increasingly strengthening our resilience and laying the foundations for the next strategic steps.”

Having acquired Blue Star Power Systems, a US manufacturer of gensets, and having taken over the off-highway business for selected Daimler Truck engines from Rolls-Royce Power Systems in August 2024, DEUTZ went on to acquire a specialist in exhaust aftertreatment, HJS Emission Technology, in January. Another strategic milestone is the recently agreed acquisition of Urban Mobility Systems, a Dutch innovation leader in battery-powered drives for off-highway applications. This latest acquisition will give DEUTZ a technological edge in the DEUTZ New Technology business unit and open up much broader access to the market. As well as progressively diversifying its portfolio, the Company is taking further steps to increase its profitability. The efficiency program is aimed at permanently lowering costs by the end of 2026.

“The cost-cutting measures that we introduced at short notice led to savings of just over €15 million last year. Our task now is to expand the measures already taken and to consolidate them. And this is precisely the objective of our Future Fit program. By implementing the program, we intend to achieve a lasting reduction in our cost base of €50 million per year. We have made good progress, particularly with regard to adjusting staffing levels,” explains DEUTZ CFO Oliver Neu, who is overseeing the program in cooperation with an interdisciplinary team.

Results for the first quarter of 2025 in detail[1]

Thanks to the successful adjustments to the portfolio and the acquisitions carried out, the DEUTZ Group’s new orders jumped by 30.3% compared with the prior-year period, rising from €419.2 million to €546.1 million in the first quarter of 2025.

Orders on hand stood at €521.0 million as at March 31, 2025 (March 31, 2024: €414.9 million). Although unit sales fell by (18.2)% compared with the first three months of 2024 to 31,263 units, DEUTZ’s revenue went up by 7.5% to €489.0 million in the period under review. These opposing trends were due to higher average prices per unit sold as a result of the restructured portfolio, a greater proportion of service business, the HJS Emission Technology business, and favorable pricing effects.

Adjusted EBIT (EBIT before exceptional items)[2] diminished from €27.7 million in the first quarter of 2024 to €21.0 million in the reporting period, mainly due to a lower production volume and resulting diseconomies of scale. However, the acquisition of Blue Star Power Systems and the takeover of the sales and service activities for Daimler Truck engines from Rolls-Royce Power Systems in the second half of 2024 had a positive impact on earnings performance. Lower research and development costs also helped to mitigate the volume-related deterioration in earnings. The **adjusted EBIT margin** came to 4.3% in the reporting period (Q1 2024: 6.1%). This shows that the steps taken by DEUTZ under its Dual+ strategy are paying off and that DEUTZ can do business profitably even when economic conditions are challenging. The expected non-recurring expenses of €25 million, driven mainly by job cuts under the Future Fit program, primarily in Cologne, were lower than anticipated and, as an exceptional item, were eliminated from EBIT as reported.

[1] Unless otherwise indicated, all the figures disclosed below are for continuing operations only.
[2] Exceptional items in the first quarter of 2025 amounting to an expense of €(25.0) million that largely related to costs in connection with the Future Fit program (Q1 2024: expense of €(3.9) million).

Cash flow from operating activities amounted to €50.9 million in the first quarter of 2025 (Q1 2024: €24.7 million). This increase compared with the prior-year quarter was attributable in particular to the changes of working capital.

The rise in cash flow from operating activities resulted in **free cash flow** of €23.8 million (€23.4 million before mergers and acquisitions) in the first quarter of 2025, compared with €5.1 million in the first quarter of 2024 (Q1 2024 before mergers and acquisitions: €5.1 million).

Guidance for 2025

Assuming that the market will recover noticeably in the second half of 2025 and that measures to mitigate the impact of the tariff situation prove effective, DEUTZ continues to project revenue of between €2.1 billion and €2.3 billion for 2025 and expects the EBIT margin before exceptional items (adjusted EBIT margin) to be between 5.0% and 6.0%. Free cash flow excluding any M&A expenditure is likely to once again be an amount in the mid-double-digit millions of euros.

DEUTZ GROUP: OVERVIEW

€ million

	Q1 2025	Q1 2024[3]	Delta
New orders	546.1	419.2	30.3%
Unit sales (units)	31,263	38,242	-18.2%
Revenue	489.0	454.7	7.5%
EBITDA (before exceptional items)	44.6	50.0	-10.8%
EBITDA margin (before exceptional items)	9.1%	11.0%	-1.9pp
EBITDA	19.6	46.1	-57.5%
Adjusted EBIT (before exceptional items)	21.0	27.7	-24.2%
EBIT margin (before exceptional items)	4.3%	6.1%	-1.8pp
Exceptional items	-25.0	-3.9	541.0%
EBIT	-4.0	23.8	–
Net income	-10.0	16.5	–
Earnings per share (€)	-0.07	0.13	–
Earnings per share (before exceptional items, €)	0.06	0.16	-62.5%
Equity (March 31/December 31)	831.8	847.9	-1.9%
Equity ratio (March 31/December 31)	47.4%	50.4%	-3.0pp
Free cash flow[4]	23.8	5.1	366.7%
Free cash flow (before M&A)	23.4	5.1	358.8%
Net financial position (March 31/December 31)[5]	-210.2	-225.6	6.8%
Working capital (March 31/December 31)[6]	375.5	383.0	-2.0%
Working capital ratio March 31/Dec. 31)[7]	20.3%	21.1%	-0.8pp
Working capital ratio (average) (March 31/ December 31)[8]	21.6%	22.2%	-0.6pp
Capital expenditure (after deducting grants)[9]	16.4	19.8	-17.2%
R&D ratio[10]	4.6%	5.6%	-1.0pp
R&D expenditure (after deducting grants)	22.6	25.4	-11.0%
Employees (number as at March 31)[11]	5,511	5,122	7.6%

[3] In 2024, the activities of the Torqeedo Group had, in accordance with IFRS 5, been reported as discontinued operations up to the point of deconsolidation. The comparative key figures for the prior-year period that relate to the income statement, the cash flow statement, capital expenditure, R&D expenditure, and the number of employees only include continuing operations.
[4] Cash flow from operating activities and from investing activities less interest expense.
[5] Cash and cash equivalents less current and non-current interest-bearing financial debt.
[6] Inventories plus trade receivables less trade payables.
[7] Working capital (inventories plus trade receivables less trade payables) as at the balance sheet date divided by revenue for the previous twelve months.
[8] Average working capital at the four quarterly reporting dates divided by revenue for the previous twelve months.
[9] Capital expenditure on property, plant and equipment (including right-of-use assets in connection with leases) and intangible assets, excluding capitalized development expenditure.
[10] Research and development expenditure (after deducting grants) as a percentage of revenue.
[11] Full-time equivalents (FTEs).

DEUTZ Engines & Services: OVERVIEW

€ million	Q1 2025	Q1 2024	Delta
New orders	475.9	408.7	16.4%
Unit sales (units)	30,630	37,894	-19.2%
Revenue	448.1	449.7	-0.4%
Adjusted EBIT (before exceptional items)	28.7	37.2	-22.8%
EBIT margin (before exceptional items)	6.4%	8.3%	-1.9pp

DEUTZ Solutions: OVERVIEW

in Mio. €	Q1 2025	Q1 2024	Delta
New orders	70.2	10.5	568.6%
Unit sales (units)	633	348	81.9%
Revenue	40.9	5.0	718.0%
Adjusted EBIT (before exceptional items)	-7.5	-9.6	21.9%
thereof DEUTZ Energy	3.5	-0.1	–
thereof DEUTZ New Technology	-11.0	-9.5	15.8%
EBIT margin (before exceptional items)	-18.3%	-192.0%	+173.7pp

Detailed information on the results for the first quarter of 2025 can be found in the quarterly statement, which is available at www.deutz.com/de/investor-relations.

Upcoming financial dates

May 8, 2025: Annual General Meeting (virtual)

August 7, 2025: Interim report for the first half of 2025

November 6, 2025: Quarterly statement for the first to third quarter of 2025

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Forward-looking statements

This press release may contain certain forward-looking statements based on current assumptions and forecasts made by the DEUTZ management team. Various known and unknown risks, uncertainties, and other factors may lead to material differences between the actual results, the financial position, or the performance of the DEUTZ Group and the estimates and assessments set out here. These factors include those that DEUTZ has described in published reports, which are available at www.deutz.com. The Company does not undertake to update these forward-looking statements or to change them to reflect future events or developments.

About DEUTZ AG

DEUTZ AG, a publicly traded company headquartered in Cologne, Germany, is one of the world's leading manufacturers of drive systems for off-highway applications in the power range up to 620 kW. Through its subsidiary, Blue Star Power Systems, Inc., which it acquired in 2024, DEUTZ operates in the field of decentralized energy supply and is increasingly positioning itself as a system provider. The current portfolio ranges from diesel, gas, and hydrogen engines to electric drive solutions. These drive systems are used in various applications, including construction equipment, agricultural machinery, material handling equipment such as forklift trucks and lifting platforms, stationary equipment such as gensets, commercial vehicles, and rail vehicles. DEUTZ also offers a comprehensive range of analog and digital services through around 1,000 sales and service partners in over 120 countries. The Company was founded in 1864, employed around 5,200 people worldwide as at December 31, 2024, and generated revenue of around €1.8 billion in 2024. Further information is available at www.deutz.com.